

DATE INCD 11/27/01	SUSPENSE 12/12/01	ENGINEER DC	LOGGED IN KW	TYPE WFX	APP NO. 0133339724
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSP-Non-Standard Location] [NSL-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS-Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

NOV 27 2001

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application if One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Lee R. White
 Print or Type Name

Lee R. White
 Signature

Engineering Manager
 Title

11/26/01
 Date

Lee.White@Apachecorp.com
 e-mail Address

November 26, 2001

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Expansion of Waterflood Project
Grizzell Lease Well No. 11
Penrose Skelly; Grayburg Pool
Lea County, New Mexico**

30-025-24972

Apache Corporation respectfully requests administrative approval of authority to inject within the subject pool and convert the subject well to water injection service. To support this request we submit the following information.

NMOCD Order # R-2794 dated October 30, 1964, granted Gulf Oil Exploration and Production Company permission to conduct waterflood operations in the referenced pool. Subsequent to the formation of the Gulf operated South Penrose Skelly Unit on July 1, 1965; a water injection pilot project was initiated in June of 1967. Active injection was discontinued in April of 1972.

The referenced well was one of two 20-acre infill wells drilled and tested by Gulf in June 1975, for the purpose of evaluating the pilot performance and determining the future of the unit. Neither well was completed as a producer and the South Penrose Skelly Unit was officially terminated on April 1, 1984. Subsequent to the abandonment of the unit, Shell Western assumed operations of all wells in the Grizzell lease, including No. 11, formerly SPSU #262, and applied to the OCD for administrative approval to waterflood the Penrose Skelly; Grayburg pool under the Grizzell lease by converting the No. 11 to injection. Shells' request was approved on June 13, 1985 under **Administrative Order No. WFX-547**. Shell subsequently decided against implementation of the waterflood, at that time, due to the poor condition of the oil market and the Grizzell # 11 was temporarily abandoned. Apache Corporation acquired the Grizzell lease in March, 1998. Attached, please find the following:

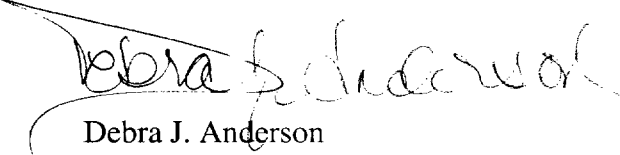
- 1) OCD Form C-108 with attachments
- 2) Maps with surveys which include:
 - A) Lease Map with location of all wells within one-half mile radius of proposed injection well
 - B) Base map for the proposed injection well with location of all leases within a two mile radius included

- 3) Injection Well Data Sheet for proposed injector
- 4) A Publishing Affidavit and copy of legal notice
- 5) List of Surface Owners and Offset Operators with Certified Mail Receipt numbers indicated and copy of letter sent
- 6) Tabulation of Data on wells located within the Area of Review
- 7) Wellbore Diagrams for all wells P&A'd in the Area of Review

If you have any questions or need additional information regarding this application, please contact me at 713-296-6338 or via e-mail at Debra.Anderson@apachecorp.com. Thank you.

Sincerely,

APACHE CORPORATION



Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: Mr. Chris Williams
Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Apache Corporation

ADDRESS: 2000 Post Oak Blvd., Ste. 100, Houston, Texas 77056-4400

CONTACT PARTY: Debra Anderson PHONE: 713-296-6338

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project: Yes No
If yes, give the Division order number authorizing the project R-2794

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half radius circle drawn around each proposed injection well. This circle identifies the wells area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geologic name thickness and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlaying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Debra J. Anderson TITLE: Sr. Engineering Technician

SIGNATURE:  DATE: 11/26/01

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal:

Order No. R-2794 dated 10/30/64 & Supplemental Application dated April 26, 1985 (WFX-547)

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

**ATTACHMENT FOR FORM C-108
GRIZZELL LEASE
MISCELLANEOUS DATA**

III. WELL DATA

B. (5)	Next higher oil zone	Queen @ +/- 3320'
	Next lower oil zone	San Andres @ +/- 3816'

VII. PROPOSED OPERATION

1.	Average Injection Rate	500 BWPD	
	Maximum Injection Rate	1000 BWPD	
2.	Closed Injection System		
3.	Average Injection Pressure	500 psi	
	Maximum Injection Pressure	716 psi (approximate) (will not exceed 0.2 psi/ft to top perforation)	
4.	Source Water	Grayburg	Analysis Attached
		San Andres	Analysis Attached

IX. STIMULATION PROGRAM

Acidize injection interval with +/- 3000 gals 15% HCL

XI. There are no Fresh Water Wells

South Permian Basin Region
 10520 West I-20 East
 Odessa, TX 79765
 (915) 498-9191
 Lab Team Leader - Sheila Hernandez
 (915) 495-7240

Water Analysis Report by Baker Petrolite

Company:	APACHE CORPORATION	Sales RDT:	33102
Region:	PERMIAN BASIN	Account Manager:	MIKE EDWARDS (505) 910-9517
Area:	EUNICE, NM	ID #:	22639
Lease/Platform:	GRIZZELL UNIT	Analysis Cost:	\$40.00
Entity (or well #):	12		
Formation:	<u>Grayburg</u>		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 209886 @ 75 °F					
Sampling Date:	11/15/01	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	11/20/01	Chloride:	4050.0	114.24	Sodium:	2894.3	125.9
Analyst:	JAMES AHRLETT	Bicarbonate:	2405.0	39.42	Magnesium:	112.0	9.21
TDS (mg/l or g/m3):	9975.3	Carbonate:	0.0	0.	Calcium:	262.0	13.07
Density (g/cm3, tonne/m3):	1.008	Sulfate:	20.0	0.42	Strontium:	9.0	0.21
Anion/Cation Ratio:	1.0000001	Phosphate:			Barium:	6.0	0.09
Carbon Dioxide:		Borate:			Iron:	4.0	0.14
Oxygen:		Silicate:			Potassium:	213.0	5.45
Comments:		Hydrogen Sulfide:			Aluminum:		
		pH at time of sampling:			Chromium:		
		pH at time of analysis:		7.47	Copper:		
		pH used in Calculation:		7.47	Lead:		
					Manganese:		
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO3		Gypsum CaSO4*2H2O		Anhydrite CaSO4		Celestite SrSO4		Barite BaSO4		CO2 Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
°F	psi											psi
80	0	1.32	171.78	-2.42	0.00	-2.49	0.00	-2.11	0.00	0.82	2.78	0.94
100	0	1.41	181.85	-2.44	0.00	-2.44	0.00	-2.09	0.00	0.67	2.78	1.28
120	0	1.51	191.57	-2.45	0.00	-2.37	0.00	-2.07	0.00	0.55	2.43	1.7
140	0	1.60	199.89	-2.46	0.00	-2.29	0.00	-2.04	0.00	0.45	2.08	2.2

- Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.
- Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
- Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

South Permian Basin Region
 10520 West I-20 East
 Odessa, TX 79765
 (915) 498-9191
 Lab Team Leader - Sheila Hernandez
 (915) 495-7240

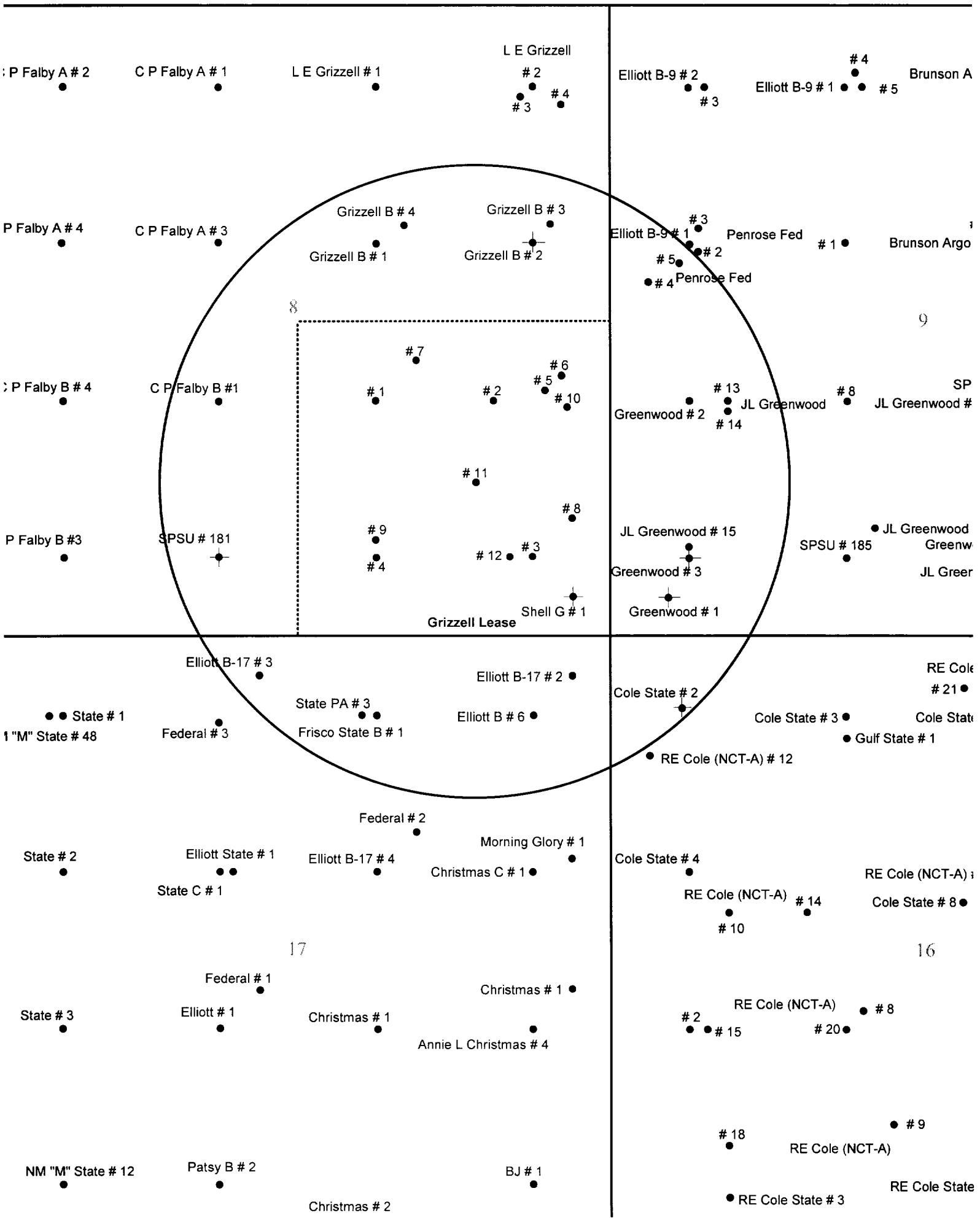
Water Analysis Report by Baker Petrolite

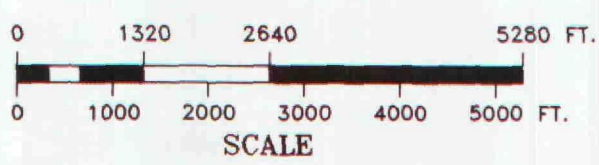
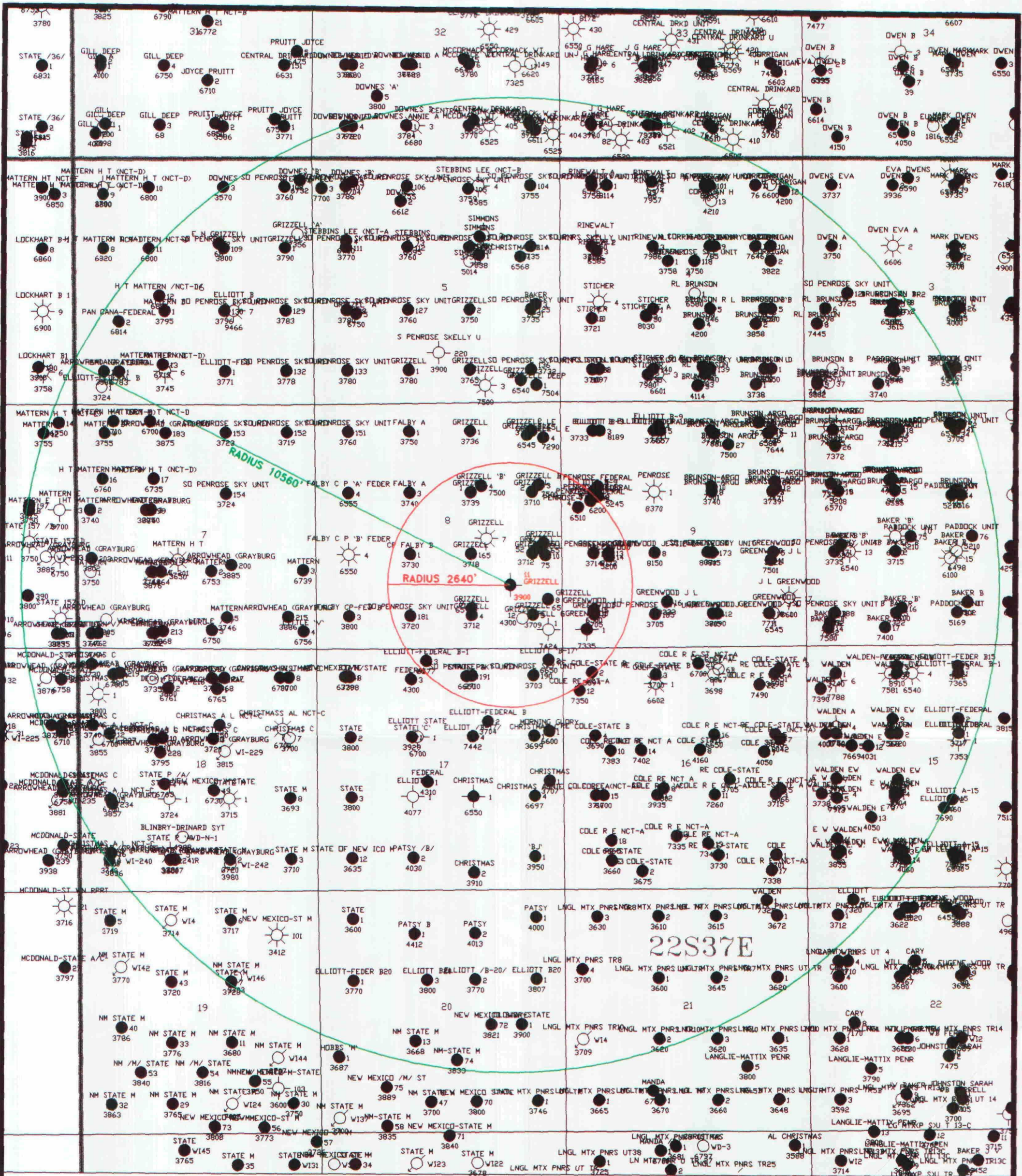
Company:	APACHE CORPORATION	Sales RDT:	33102
Region:	PERMIAN BASIN	Account Manager:	MIKE EDWARDS (505) 910-9517
Area:	EUNICE, NM	ID #:	22638
Lease/Platform:	GRIZZELL UNIT	Analysis Cost:	\$40.00
Entity (or well #):	10		
Formation:	<u>San Andres</u>		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 209885 @ 75 °F					
Sampling Date:	11/15/01	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	11/20/01	Chloride:	4111.0	115.96	Sodium:	2877.7	125.17
Analyst:	JAMES AHRLETT	Bicarbonate:	2282.0	37.4	Magnesium:	114.0	9.38
TDS (mg/l or g/m3):	9891.7	Carbonate:	0.0	0.	Calcium:	281.0	14.02
Density (g/cm3, tonne/m3):	1.007	Sulfate:	20.0	0.42	Strontium:	9.0	0.21
Anion/Cation Ratio:	1.0000000	Phosphate:			Barium:	8.0	0.12
Carbon Dioxide:		Borate:			Iron:	4.0	0.14
Oxygen:		Silicate:			Potassium:	185.0	4.73
Comments:		Hydrogen Sulfide:			Aluminum:		
		pH at time of sampling:			Chromium:		
		pH at time of analysis:		7.44	Copper:		
		pH used in Calculation:		7.44	Lead:		
					Manganese:		
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO3		Gypsum CaSO4*2H2O		Anhydrite CaSO4		Celestite SrSO4		Barite BaSO4		CO2 Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
°F	psi											psi
80	0	1.30	177.00	-2.39	0.00	-2.46	0.00	-2.11	0.00	0.94	4.16	0.95
100	0	1.39	188.80	-2.41	0.00	-2.41	0.00	-2.10	0.00	0.79	3.82	1.3
120	0	1.49	199.91	-2.42	0.00	-2.34	0.00	-2.07	0.00	0.67	3.47	1.71
140	0	1.59	209.97	-2.43	0.00	-2.26	0.00	-2.04	0.00	0.57	3.12	2.2

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.
 Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
 Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.





GRIZZELL LEASE
LEA COUNTY, NEW MEXICO

CONVERSIONS
Injection Well Permitting
Well # 11

DATE: 08/14/2001	REVISED: 00/00/00	GEOL: B. USZYNSKI
P: GRIZZELL.DWG	DRAFTED BY: HGS	LANDMAN: T. CUSTER

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated February 16 2001 and ending with the issue dated February 16 2001

Kathi Bearden
Publisher

Sworn and subscribed to before

me this 16th day of

February 2001

Jodi Idenson
Notary Public.

My Commission expires
October 18, 2004
(Seal)

LEGAL NOTICE
February 16, 2001

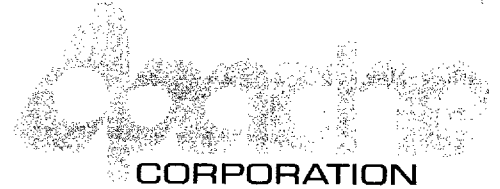
Notice is hereby given of the application of Apache Corporation, 2000 Post Oak Blvd., Ste. 100, Houston, TX 77506, (713) 296-6000, to the Oil Conservation Division, New Mexico Energy, Minerals and Natural Resources Department, for approval of the following injection well for the purpose of secondary recovery.

Pool Name: Penrose Skelly; Grayburg
Located in Lea County, New Mexico
Lease/Unit Name: Grizzell
Well No. 11

The injection formation is the Grayburg located between the interval of 3580' MD to 3816' MD below the surface of the ground. Expected maximum injection rate is 1000 barrels per day and the expected maximum injection pressure is 718 psi. Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505 within fifteen days.
#17947

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

02102716000 01546577
Apache Corporation
2000 Post Oak Boulevard Suite 100
Houston, TX 77056-4400



November 26, 2001

Surface Owner

Ms. Lucy Flowers
200 South Linam
Hobbs, New Mexico 88240
Certified Mail Receipt # 7000-2870-0000-2222-3672

**Re: Application to Expand Waterflood Project
Grizzell Lease Well No. 11
Penrose Skelly; Grayburg Pool
Lea County, New Mexico**

Attached please find a copy of completed form C-108 with attachments on the above referenced well, which Apache Corporation has filed with the New Mexico Oil Conservation Division.

Sincerely,

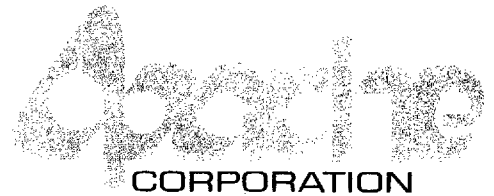
APACHE CORPORATION

A handwritten signature in cursive script that reads "Debra J. Anderson".

Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505



November 26, 2001

Offset Operator

**Re: Application to Expand Waterflood Project
Grizzell Lease Well No. 11
Penrose Skelly; Grayburg Pool
Lea County, New Mexico**

Attached please find a copy of completed form C-108 with attachments and a plat of Apache Corporation's lease, which we have filed with the New Mexico Oil Conservation Division. The plat shows the referenced well in relation to your offset operations.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Debra J. Anderson", written over a horizontal line.

Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**APPLICATION TO EXPAND WATERFLOOD
GRIZZELL LEASE
OFFSET OPERATORS**

Anadarko Petroleum Corporation
Box 130
Artesia, New Mexico 88211-0130
Certified Rcpt. # 7000-2870-0000-2222-3399

Finley Resources Inc.
1308 Lake Street, Suite 200
Fort Worth, Texas 76102
Certified Rcpt. # 7000-2870-0000-2222-3498

ROC Energy Inc.
Box 51008
Midland, Texas 79710
Certified Rcpt. # 7000-2870-0000-2222-3597

Arch Petroleum Inc.
802 E Texas
Eunice, New Mexico 88231
Certified Rcpt. # 7000-2870-0000-2222-3405

GP II Energy Inc.
Box 50682
Midland, Texas 79710
Certified Rcpt. # 7000-2870-0000-2222-3504

Saga Petroleum LLC
415 S Wall, Suite 835
Midland, Texas 79701
Certified Rcpt. # 7000-2870-0000-2222-3603

ARCO Permian
P O Box 1610
Midland, Texas 79702-1610
Certified Rcpt. # 7000-2870-0000-2222-3412

Gruy Petroleum Management Inc.
600 E Las Colinas Blvd., Suite 1200
Irving, Texas 75014-0907
Certified Rcpt. # 7000-2870-0000-2222-3511

Sapient Energy Corporation
8801 S Yale, Suite 220
Tulsa, Oklahoma 74137
Certified Rcpt. # 7000-2870-0000-2222-3610

BEC Corporation
110 N Marienfeld, Suite 370
Midland, Texas 79702
Certified Rcpt. # 7000-2870-0000-2222-3429

Doyle Hartman Oil Producer
Box 10426
Midland, Texas 79702
Certified Rcpt. # 7000-2870-0000-2222-3528

Texaco Expl & Production Inc.
Hobbs Operating Unit
P O Box 3109
Midland, Texas 79702
Certified Rcpt. # 7000-2870-0000-2222-3627

Bettis, Boyle & Stovall
Box 1240
Graham, Texas 76450
Certified Rcpt. # 7000-2870-0000-2222-3436

John H. Hendrix Corporation
Box 3040
Midland, Texas 79702
Certified Rcpt. # 7000-2870-0000-2222-3535

Titan Resources LTD
500 W Texas, Suite 500
Midland, Texas 79701
Certified Rcpt. # 7000-2870-0000-2222-3634

Campbell & Hedrick
Box 401
Midland, Texas 79701
Certified Rcpt. # 7000-2870-0000-2222-3443

Marathon Oil Company
Box 2409
Hobbs, New Mexico 88240
Certified Rcpt. # 7000-2870-0000-2222-3542

Wagner & Brown LTD
300 N Marienfeld, Suite 1100
Midland, Texas 79702
Certified Rcpt. # 7000-2870-0000-2222-3641

Chevron USA Inc.
P O Box 1150
Midland, Texas 79702
Certified Rcpt. # 7000-2870-0000-2222-3450

McCasland Management Inc.
Box 755
Hobbs, New Mexico 88241
Certified Rcpt. # 7000-2870-0000-2222-3559

Wiser Oil Company
3504 N West County Road
Hobbs, New Mexico 88241
Certified Rcpt. # 7000-2870-0000-2222-3658

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705
Certified Rcpt. # 7000-2870-0000-2222-3467

Me-Tex Oil & Gas Inc.
401 W Taylor
Hobbs, New Mexico 88240
Certified Rcpt. # 7000-2870-0000-2222-3566

Zia Energy Inc.
Box 2510
Hobbs, New Mexico 88241-2510
Certified Rcpt. # 7000-2870-0000-2222-3665

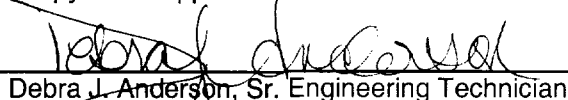
Louis Dreyfus Natural Gas Corporation
309 S Halaqueno Street
Carlsbad, New Mexico 88220
Certified Rcpt. # 7000-2870-0000-2222-3474

Oxy USA
Box 50250
Midland, Texas 79710
Certified Rcpt. # 7000-2870-0000-2222-3573

ExxonMobil
P O Box 4697
Houston, Texas 77210-4697
Certified Rcpt. # 7000-2870-0000-2222-3481

Penroc Oil Corporation
Box 5970
Hobbs, New Mexico 88241
Certified Rcpt. # 7000-2870-0000-2222-3580

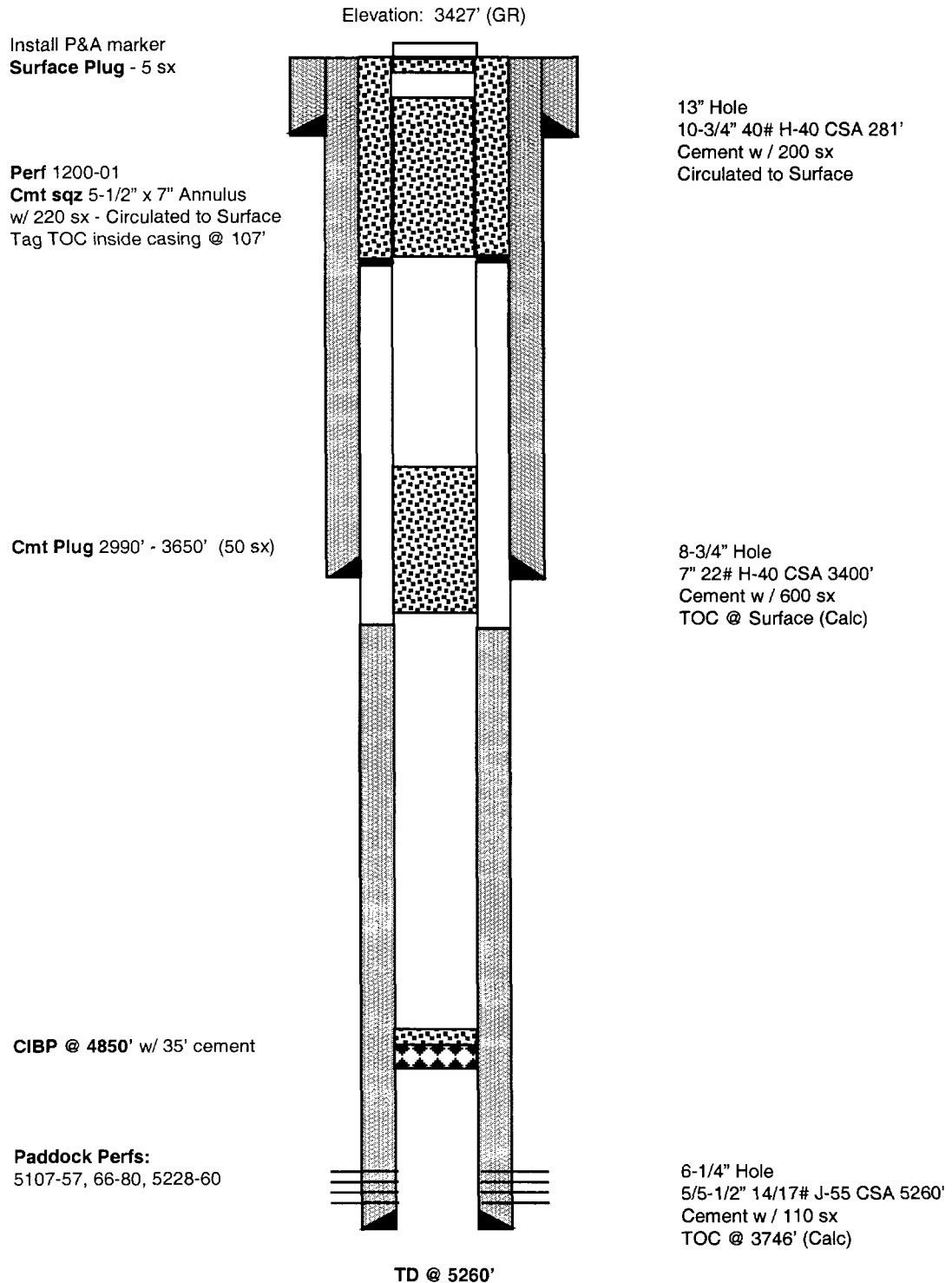
A copy of the application was mailed to the Offset Operators listed above on November 26, 2001.


Debra J. Anderson, Sr. Engineering Technician

11-26-01
Date

Well: Grizzell B # 2
 Field: Paddock
 Location: 1980' FNL & 660' FEL
 Unit H, Sec. 8, T22S, R37E
 Lea County, New Mexico
 API #: 30-025-10101

Current Status: P&A (2/89)



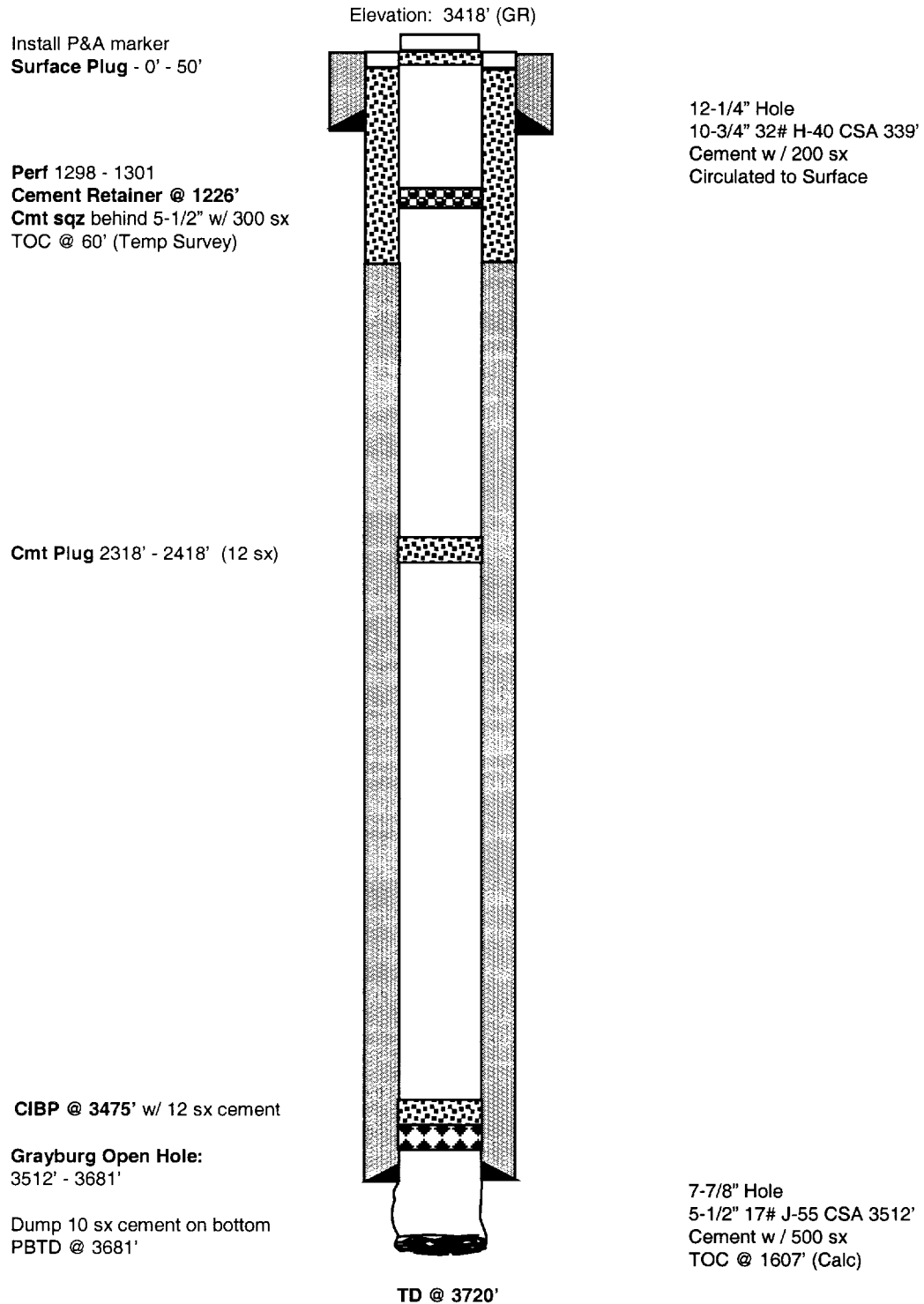
Well: So. Penrose Skelly Unit # 181

Field: Penrose Skelly; Grayburg

Current Status: P&A (11/84)

Location: 660' FSL & 1980' FWL
Unit N, Sec. 8, T22S, R37E
Lea County, New Mexico

API #: 30-025-10119



Install P&A marker
Surface Plug - 0' - 50'

Perf 1298 - 1301
Cement Retainer @ 1226'
Cmt sqz behind 5-1/2" w/ 300 sx
TOC @ 60' (Temp Survey)

Cmt Plug 2318' - 2418' (12 sx)

CIBP @ 3475' w/ 12 sx cement

Grayburg Open Hole:
3512' - 3681'

Dump 10 sx cement on bottom
PBTD @ 3681'

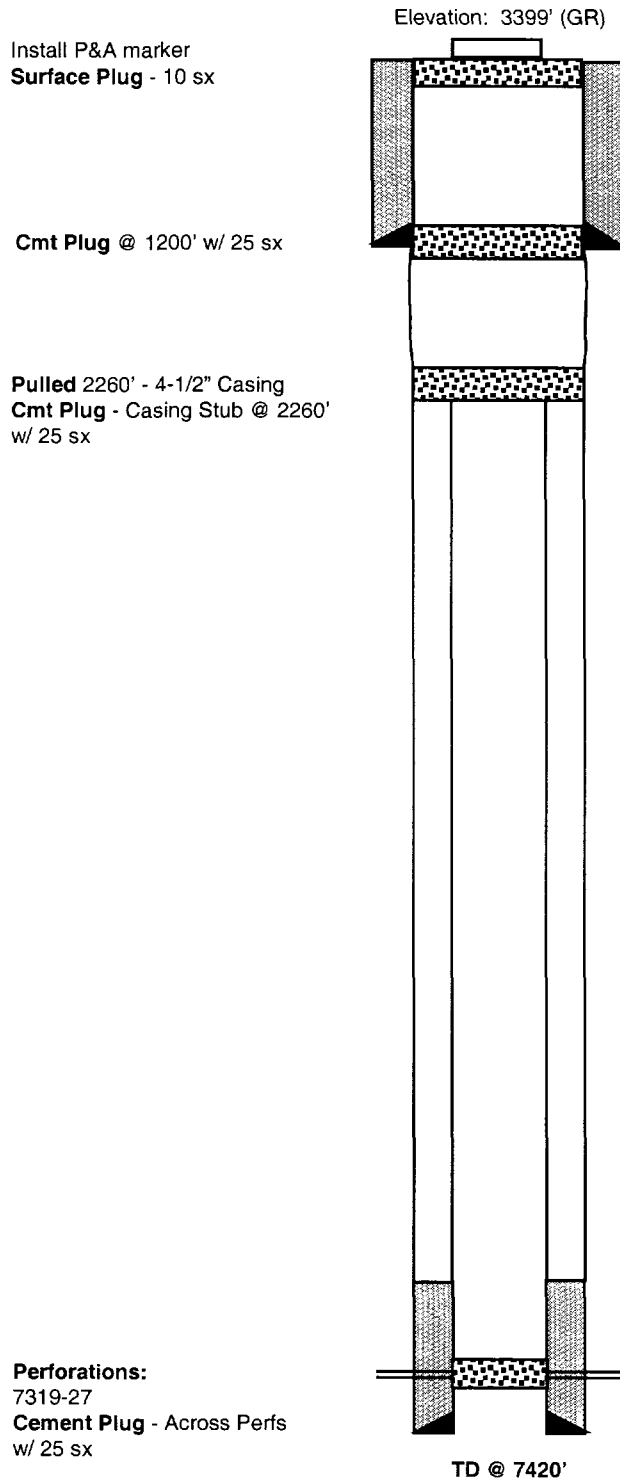
TD @ 3720'

12-1/4" Hole
10-3/4" 32# H-40 CSA 339'
Cement w / 200 sx
Circulated to Surface

7-7/8" Hole
5-1/2" 17# J-55 CSA 3512'
Cement w / 500 sx
TOC @ 1607' (Calc)

Well: Shell G # 1
Field: Undesignated
Location: 330' FSL & 330' FEL
Unit P, Sec. 8, T22S, R37E
Lea County, New Mexico
API #: 30-025-23287

Current Status: D&A (7/70)



11" Hole
8-5/8" 32# J-55 CSA 1193'
Cement w / 385 sx
Circulated to Surface

Install P&A marker
Surface Plug - 10 sx

Cmt Plug @ 1200' w/ 25 sx

Pulled 2260' - 4-1/2" Casing
Cmt Plug - Casing Stub @ 2260'
w/ 25 sx

Perforations:
7319-27
Cement Plug - Across Perfs
w/ 25 sx

7-7/8" Hole
4-1/2" 9.5/11.6# J-55 CSA 7420'
Cement w / 240 sx
TOC @ 6307' (Calc)

TD @ 7420'

Well: Greenwood # 1
 Field: Undesignated
 Location: 330' FSL & 500' FWL
 Unit M, Sec. 9, T22S, R37E
 Lea County, New Mexico
 API #: 30-025-23691

Current Status: D&A (3/71)

Elevation: 3403' (GR)

Install P&A marker
Surface Plug - 10 sx

Cmt Plug @ 1162' w/ 25 sx

Cmt Plug @ 2400' w/ 25 sx

Cmt Plug @ 5035' w/ 25 sx

Cmt Plug @ 5485' w/ 25 sx

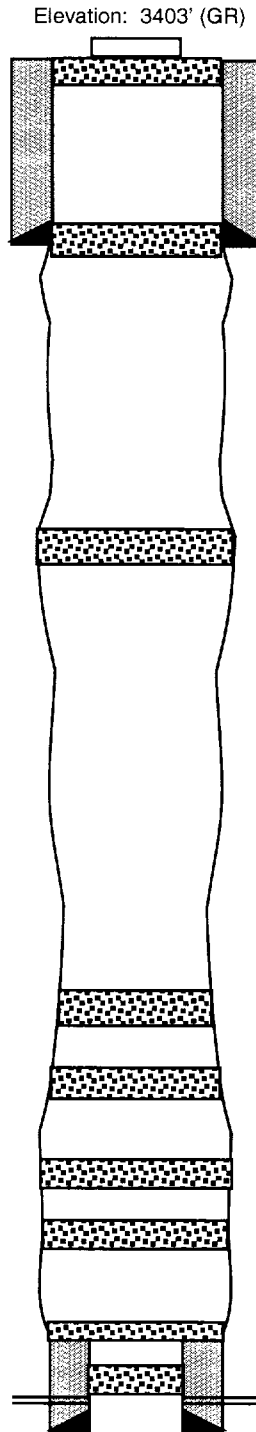
Cmt Plug @ 6030' w/ 25 sx

Cmt Plug @ 6160' w/ 25 sx

Pulled 6875' - 4-1/2" casing
Cmt Plug - Casing Stub @ 6875'
 w/ 25 sx

Cmt Plug @ 7278' w/ 25 sx

Perforations:
 7281-7301



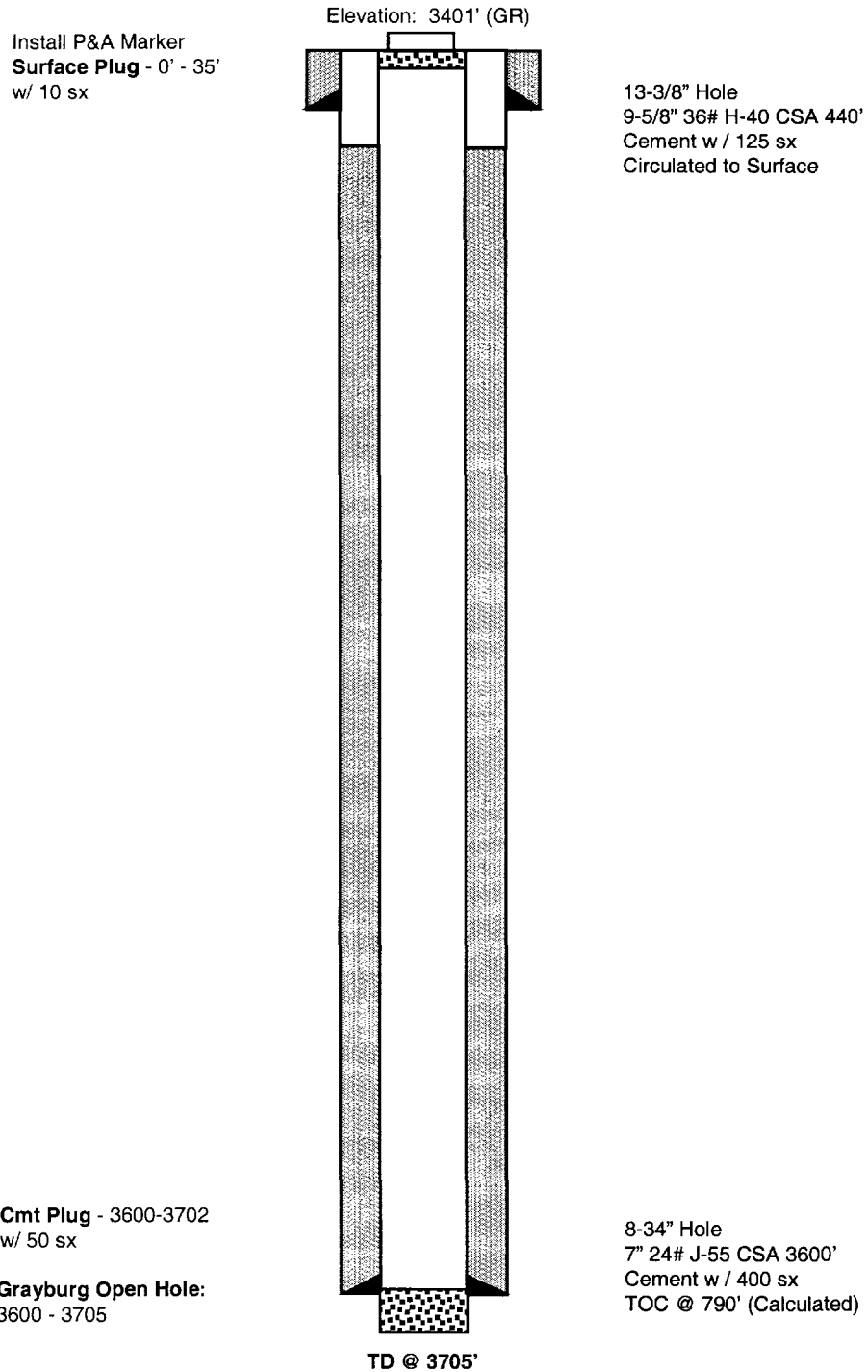
11-1/4" Hole
 8-5/8" 24# J-55 CSA 1162'
 Cement w / 325 sx
 Circulated to Surface

7-7/8" Hole
 4-1/2" 10.5# J-55 CSA 7335'
 Cement w / 75 sx
 TOC @ 6876' (Calc)

TD @ 7335'

Well: Greenwood # 3
Field: Penrose Skelly; Grayburg
Location: 660' FSL & 660' FWL
Unit M, Sec. 9, T22S, R37E
Lea County, New Mexico
API #: 30-025-10124

Current Status: P&A (10/70)



Well: Cole State # 2
Field: Penrose Skelly; Grayburg
Location: 660' FNL & 660' FWL
Unit D, Sec. 16, T22S, R37E
Lea County, New Mexico
API #: 30-025-10322

Current Status: P&A (8/98)

